

## Message Text

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PAGE 01 SINGAP 04086 180745Z

16

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04 TAR-01

TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 FEA-01 DOTE-00

/088 W

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R 180708Z SEP 75

FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC 3548

INFO AMEMBASSY KUALA LUMPUR

LIMITED OFFICIAL USE SINGAPORE 4086

E.O. 11652: N/A

TAGS: ETRD

SUBJ: MOTOR VEHICLE DOMESTIC CONTENT REQUIREMENTS

REF: A. STATE 218027; B. SINGAPORE A-116 OF 7/25/75

1. INVESTMENT: SINGAPORE'S MOTOR VEHICLE ASSEMBLY INDUSTRY IS SMALL, PRODUCING AROUND FOUR THOUSAND VEHICLES A YEAR, AND HAS BEEN BADLY HURT BY NEGATIVE GOVERNMENT SANCTIONS ON CAR OWNERSHIP. ONE OF SINGAPORE'S FIVE ASSEMBLERS RECENTLY CLOSED (SEE REPAIR).

2. SINGAPORE ANNOUNCED A DOMESTIC CONTENT REQUIREMENT POLICY FOR PASSENGER CARS IN 1967, WHICH CALLED FOR PERIODIC INCREASES IN LOCAL CONTENT. THE SCHEME CALLED FOR 8 PERCENT LOCAL CONTENT BY 1969, 13 PERCENT BY 1971, 18 PERCENT BY 1973, AND 22 PERCENT BY 1975. HOWEVER, DUE TO THE POOR LOCAL CAR MARKET AND INABILITY TO PENETRATE A BROADER REGIONAL MARKET, THE INDUSTRY HAS BEEN UNABLE TO GROW SUFFICIENTLY TO MAKE IMPLEMENTATION OF LOCAL CONTENT REQUIREMENTS FEASIBLE, AND THEREFORE, EK FACTO, LIMITED OFFICIAL USE

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PAGE 02 SINGAP 04086 180745Z

THEY ARE NOT ENFORCED.

3. IMPORTS: DUTY ON NEW CAR IMPORTS IS AS FOLLOWS: COMPLETELY BUILT, 45 PERCENT; SEMI-KNOCKED DOWN, 30 PERCENT; AND COMPLETELY KNOCKED DOWN (CKD), DUTY FREE. THERE IS A SIMILAR EXEMPTION FROM DUTY FOR IMPORTS OF CKD BUSES AND TRUCKS. THIS TARIFF STRUCTURE HAS GIVEN AN EDGE TO LOCAL CAR ASSEMBLERS OVER IMPORTERS, PARTICULARLY IN THE CASE OF LARGE PASSENGER CARS AND BUSES. HOLDRIDGE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PROCUREMENT, FOREIGN INVESTMENTS, AUTOMOBILES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 SEP 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MartinML  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975SINGAP04086  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750323-0581  
**From:** SINGAPORE  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MOTOR VEHICLE DOMESTIC CONTENT REQUIREMENTS  
**TAGS:** ETRD, SN  
**To:** STATE  
**Type:** TE  
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